

terim report is required if it is not possible to complete the investigation and submit a final report within 6 months of discovering, simply discovering, the violation. The Air Force has not filed an interim report as required.

Madam President, I ask unanimous consent to print a blank copy of the interim report form in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**INTERIM REPORT FORMAT FOR SUSPECTED VIOLATIONS UNDER INVESTIGATION**

Interim reports of suspected or apparent violations of subsections 1341(a), 1517(a), or section 1342 of 31 U.S.C. (reference (b)) shall set forth the following data:

A. Name, address, and telephone number of investigating officer and of the officer responsible for authorizing the investigation.

B. The type of suspected violation, subsections 1341(a), 1517(a), or section 1342.

C. The location at which the suspected violation occurred.

D. The amount of the suspected violation (dollars and cents).

E. The date of occurrence and date of discovery.

F. A brief narrative description of the nature of the suspected violation, including a clear, concise explanation of causes and circumstances, insofar as they can be determined.

Follow-on quarterly progress reports describe in detail investigative actions taken since the previous interim report to the ASD(C), and explain the nature of any issues to be resolved before a final report can be submitted.

Mr. GRASSLEY. General Stein, when is the Air Force planning to file an interim report in compliance with the DOD Directive 7200.1?

The Air Force's failure to file an interim report is an accurate reflection of the service's attitude toward this violation. In the Air Force view, the violation never happened. If it never happened, then it is hard to discover. This attitude is unacceptable and President Clinton, as Commander in Chief, must not tolerate it.

I am talking about a failure to report a known violation of the Antideficiency Act. The Comptroller General has rendered an important legal opinion on this issue. In a document dated August 11, 1992 and identified by the numbers B-245856.7, the Comptroller General stated:

The failure to disclose known violations of the Antideficiency Act is a felony and can be the subject of disciplinary actions.

I also believe the Air Force may have attempted to conceal the violation by failing to record overobligations in the books and laundering the bills through crooked procurement schemes.

Those who knowingly and willfully violate these laws can be fined and sent to jail. They can be suspended from duty without pay or removed from office.

General Stein, I ask that the investigation examine the question of whether anyone in the chain of command—from Colonel Bolton up through Mr. Beach, Mr. Donley, and Mr. Rice—knew that the ACM Program was in

violation of the Antideficiency Act and either failed to report it or attempted to conceal it.

General Stein, you indicate that Mr. William Malkisch has been designated as the investigating officer on the ACM case. Did you know, General Stein, that as the Director of Resource Management for the Space and Missile System Center, Mr. Malkisch may have been involved in managing money for the Titan IV Program. The Titan IV Program is also under investigation. It is the subject of another devastating report by the inspector general, audit report No. 92-064, dated March 31, 1992. This report is about blatant financial mismanagement and misconduct.

General Stein, is Mr. Malkisch in any way implicated in the Antideficiency Act violation by the Titan IV Program or the violation of section 1301 of title 31 of the U.S. code described in audit report 92-064?

I cannot ride herd on the Air Force by myself. I need help.

I would like the Air Force to answer my questions.

I would like the DOD IG to follow through on its audit and make sure the Air Force conducts the investigation and fixes responsibility where it belongs—all the way up to the Secretary of the Air Force if necessary.

The General Accounting Office needs to come forward with information it has on the cancellation of fiscal years 1990 and 1991 ACM contracts as a way to generate cash to cover the cost overrun on earlier contracts. The GAO needs to share the information it has that shows how hundreds of millions of dollars worth of unfinished ACM missiles have been discarded as scrap and left as waste.

It is time to send a message to the DOD acquisition and financial managers. Those who violate the laws of our land will be held accountable.

A few tough lessons in accountability will bring this misconduct to a screeching halt.

I yield the floor.

Mr. ROTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. ROTH. Madam President, I yield myself such time as I will take from that allotted to the distinguished Senator from Mississippi.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

Mr. ROTH. I thank the Chair.

(The remarks of Mr. ROTH, Mr. LOTT, Mr. DOLE, and Mr. BURNS pertaining to the introduction of S. 1058 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Texas.

**THE PRESIDENT'S TAX BILL**

Mr. GRAMM. Madam President, I knew the Democrats were going to win the tax vote in the House. I knew that with their huge margin in House mem-

bership that they were going to pass the President's tax bill in the House.

I do not understand why then this morning I felt down about it given that they passed their bill 219 to 213, which means almost 40 Democrats voted against the President's tax plan.

I guess part of it is recognition that yesterday in the House we had the triumph of partisan policies over reason and over the public interest. I think part of the reason why I am concerned is because I realize that the U.S. Senate stands today as the only sentry at the gate. We are the last thing that stands between America and a massive tax increase that will put hundreds of thousands and ultimately millions of our fellow citizens out of work, that will raise taxes on Social Security recipients, working families, small business, and that will devastate the economy. That is the bad news.

The good news is that we have a lot of good gatekeepers in the Senate, and I for one am absolutely committed to seeing that Bill Clinton's tax-and-spend policy does not become the law of the land.

One of the things that concerns me greatly about the debate in the House is the continued gulf between the rhetoric of the debate and the reality of the programs that are being proposed.

I have here a chart that really summarizes what I believe is an incredible chain of events leading up to yesterday's vote. And I think one of the reasons that the American people feel alienated, feel betrayed, is because of this huge difference between what is being said in Washington and what is being done in Washington.

Everybody will remember that during the Clinton campaign President Clinton was going to cut spending \$3 for every dollar of new taxes. That was the whole basis of President Clinton's campaign. And then when Leon Panetta was before the Senate to be confirmed as OMB Director he said their goal was \$2 in spending cuts for every dollar of taxes, and then when President Clinton came before the Congress and gave that great State of the Union Address, and address that I could have given, because it had virtually nothing to do with the President's program, it was \$1 of spending cuts for every dollar of taxes. Then when we adopted the President's budget in the Congress, when the Congressional Budget Office, the official scorer, jury and judge designated by the President, totaled up taxes and spending, it concluded that there were \$3.23 of taxes of every dollar for spending cuts. And now into the bill that the House has voted on and made changes in permanent law to implement that tax program we are up to \$5 in taxes for every dollar of spending cuts.

That is a far cry from the original promise. That is a far cry from the continued advertising, but it is the cold and hard reality of what we are looking at.

Another thing that disturbs me about the House vote is the continued effort to mislead the American people. Nothing could have been clearer than the final compromise whereby the President designates how much he thinks all these entitlement programs ought to grow by and then if they grow by more than that the President says to Congress we ought to pay for it by raising taxes, or says we ought to pay for it by decreasing spending, or says we ought to pay for it by borrowing money, and then Congress votes on it. But if they vote it down, whatever the President proposes, the deficit goes up and we borrow the money to pay for it.

I do not think we need to give Bill Clinton another excuse to propose another tax. In fact, we have additional taxes being proposed or floated each and every week.

Finally, I want to go back and look at these deficits, because if I get asked one question over and over again the question I am asked is, Are we cutting spending first? I am sure that the Presiding Officer has had people come up to her in the airport and say, are you cutting spending first?

Let me go back and look at the President's budget. What I have done on the chart here is plot out in red the tax increases and in blue the spending cuts. What you see that under the President's budget beginning on October 1, when that budget would go into effect, what happens is that through 1995 spending actually rises and before the first dollar of net spending cuts goes into effect taxes have gone up by \$90 billion; 80 percent of all the savings that are contained in the President's budget are savings that are promised in 1997 and 1998.

So the answer to the question, are you cutting spending first, is "No." In fact, taxes are going up by \$90 billion over the next 3 years before a net penny of savings occurs and 80 percent of the savings in the package are promised in 2 years where Bill Clinton may not be President. In fact, if this economic plan passes he almost certainly will not be President.

Finally, we continually have a problem which the President warned us of and in the State of the Union Address, urged us to avoid, and here I want to make it totally clear I agree with the President's rhetoric; I do not agree with the reality of what he is doing. In the State of the Union Address the President said: Let us do not argue about the numbers, let us let the Congressional Budget Office do the scoring. Let us make them the judge and the jury. Then we can debate policy and we will not be wasting our time disputing numbers.

This is what the Congressional Budget Office, the judge and the jury, says about the Clinton economic plan. On page 6 of chapter 1 in CBO's March analysis of the President's budget we have the following quote. "Three-quarters of the \$355 billion in cumulative deficit reduction contained in the ad-

ministration's program would stem from increases in revenues and only one-quarter from cuts in outlays."

Now, Madam President, that is the Congressional Budget Office. This is the entity that the President designated to be the judge and the jury. And yet why does the President continue to say day after day after day that his budget reduces spending a dollar for every dollar of tax increases when, in fact, the judge and the jury that the President picked says three-quarters of his deficit reduction comes from new taxes and only one-quarter comes from reductions in spending?

Also on page 6 of its analysis the Congressional Budget Office says: "The spending increases would exceed the cuts through 1995."

So, basically, Madam President, we are down to a decision and that is, do we believe that we can promote prosperity in America by increasing taxes, by not cutting any spending for the next 3 years, and then promising to do in 1997 and 1998, in the sweet by-and-by, all these good things.

I want to say here today that we are going to defeat the Btu tax in the U.S. Senate. Right here on the floor of the U.S. Senate we are going to defeat the effort to raise taxes on Social Security.

And I am hopeful, when we beat the Btu tax, when we beat the Social Security tax, that we can force the President to do what all Americans want him to do, and that is come back to Congress, sit down with Democrats and Republicans, and cut spending first.

I yield the floor.

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. I thank the Chair.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 1059 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### THE BTU TAX

Mr. STEVENS. Madam President, I listened with interest in recent days to my good friend, the Vice President of the United States, Vice President GORE, who indicated that one of the reasons for the Btu tax was to back off the dependency of Americans on foreign oil.

I come from Alaska, which produces 25 percent of all the oil that is produced in the United States. We do not use foreign oil in Alaska. We produce 25 percent of all that is domestically produced. Yet when we have studied the Btu tax, we find it to be the cruelest tax that has been devised for people that live in cold country.

Alaskans will carry the heaviest burden from the Btu tax, notwithstanding the fact that we have the capability of increasing the supply of domestically produced oil, if only those who oppose drilling on the Arctic plain would realize that the way to back off foreign oil

is to be more reliant on our own resources.

I have done some studies of the impact of the Btu tax on Alaska and I would like to share them with the Senate.

Estimates of the cost of the Btu tax to the average household in Alaska range from \$944 to \$1,521 annually. For the rest of the Nation, the average Btu tax burden for households will be an estimated \$266 to \$471. In other words, Alaskans are at least three times more burdened by this tax than any other State.

In Alaska, the per capita cost of the Btu tax has been calculated by our people at \$280 per person—man, woman, and child—per year. That, as I said, is more than the average for households in the south 48. Nationally, the Btu tax will run somewhere around \$97 per person.

The difficulty with the Btu tax for me is that the people who will be hardest hit in our State by the Btu tax are those who can least afford it. Our Alaskan Native people who live in rural areas, some 210 to 230 villages, use diesel to generate electricity. Diesel fuel is not home heating fuel. Home heating fuel is exempt in the bill that was passed by the House, as I understand it. There is no similar exemption for diesel fuel used to heat homes and generate electricity in Alaska.

I am told that there is an exemption in the House bill for No. 2 diesel and for home heating fuel. We use No. 1 diesel. We do not know all of the final details of what came out of the House bill yesterday. I know that there are exemptions over there and deals were made. But, they do not represent relief for those who are the hardest hit in the Nation—the Native people who live in rural Alaska.

Not only will they pay the full Btu tax but, because of the extremely low temperatures that they suffer in the winter time—60 below zero—they pay more than any other American to heat their homes to begin with.

The devastating effect of this Btu tax on Alaskan Native people is really apparent when we realize that the average annual income for a family of four in western Alaska is about \$10,000. They use approximately 1,000 gallons of diesel fuel for heating and approximately 850 gallons for cooking. They currently pay an average of \$3,599 a year just for diesel fuel. In other words, they already spend 35 percent of their income for fuel. If the administration's Btu tax is imposed, some Native Alaskan could be forced to spend 44 to 51 percent of their annual income on fuel. This does not take into account the increase in transportation costs, goods and fuel due to the Btu tax.

I believe that the people who live in the colder parts of the country are going to be burdened the most by the Btu tax.

We hear all kinds of objections from people that live in other areas of the country, but just consider, Madam

Another thing that disturbs me about the House vote is the continued effort to mislead the American people. Nothing could have been clearer than the final compromise whereby the President designates how much he thinks all these entitlement programs ought to grow by and then if they grow by more than that the President says to Congress we ought to pay for it by raising taxes, or says we ought to pay for it by decreasing spending, or says we ought to pay for it by borrowing money, and then Congress votes on it. But if they vote it down, whatever the President proposes, the deficit goes up and we borrow the money to pay for it.

I do not think we need to give Bill Clinton another excuse to propose another tax. In fact, we have additional taxes being proposed or floated each and every week.

Finally, I want to go back and look at these deficits, because if I get asked one question over and over again the question I am asked is, Are we cutting spending first? I am sure that the Presiding Officer has had people come up to her in the airport and say, are you cutting spending first?

Let me go back and look at the President's budget. What I have done on the chart here is plot out in red the tax increases and in blue the spending cuts. What you see that under the President's budget beginning on October 1, when that budget would go into effect, what happens is that through 1995 spending actually rises and before the first dollar of net spending cuts goes into effect taxes have gone up by \$90 billion; 80 percent of all the savings that are contained in the President's budget are savings that are promised in 1997 and 1998.

So the answer to the question, are you cutting spending first, is "No." In fact, taxes are going up by \$90 billion over the next 3 years before a net penny of savings occurs and 80 percent of the savings in the package are promised in 2 years where Bill Clinton may not be President. In fact, if this economic plan passes he almost certainly will not be President.

Finally, we continually have a problem which the President warned us of and in the State of the Union Address, urged us to avoid, and here I want to make it totally clear I agree with the President's rhetoric; I do not agree with the reality of what he is doing. In the State of the Union Address the President said: Let us do not argue about the numbers, let us let the Congressional Budget Office do the scoring. Let us make them the judge and the jury. Then we can debate policy and we will not be wasting our time disputing numbers.

This is what the Congressional Budget Office, the judge and the jury, says about the Clinton economic plan. On page 6 of chapter 1 in CBO's March analysis of the President's budget we have the following quote: "Three-quarters of the \$365 billion in cumulative deficit reduction contained in the ad-

ministration's program would stem from increases in revenues and only one-quarter from cuts in outlays."

Now, Madam President, that is the Congressional Budget Office. This is the entity that the President designated to be the judge and the jury. And yet why does the President continue to say day after day after day that his budget reduces spending a dollar for every dollar of tax increases when, in fact, the judge and the jury that the President picked says three-quarters of his deficit reduction comes from new taxes and only one-quarter comes from reductions in spending?

Also on page 6 of its analysis the Congressional Budget Office says: "The spending increases would exceed the cuts through 1995."

So, basically, Madam President, we are down to a decision and that is, do we believe that we can promote prosperity in America by increasing taxes, by not cutting any spending for the next 3 years, and then promising to do in 1997 and 1998, in the sweet by-and-by, all these good things?

I want to say here today that we are going to defeat the Btu tax in the U.S. Senate. Right here on the floor of the U.S. Senate we are going to defeat the effort to raise taxes on Social Security.

And I am hopeful, when we beat the Btu tax, when we beat the Social Security tax, that we can force the President to do what all Americans want him to do, and that is come back to Congress, sit down with Democrats and Republicans, and cut spending first.

I yield the floor.

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. I thank the Chair.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 1059 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### THE BTU TAX

Mr. STEVENS. Madam President, I listened with interest in recent days to my good friend, the Vice President of the United States, Vice President GORE, who indicated that one of the reasons for the Btu tax was to back off the dependency of Americans on foreign oil.

I come from Alaska, which produces 25 percent of all the oil that is produced in the United States. We do not use foreign oil in Alaska. We produce 25 percent of all that is domestically produced. Yet when we have studied the Btu tax, we find it to be the cruelest tax that has been devised for people that live in cold country.

Alaskans will carry the heaviest burden from the Btu tax, notwithstanding the fact that we have the capability of increasing the supply of domestically produced oil, if only those who oppose drilling on the Arctic plain would realize that the way to back off foreign oil

is to be more reliant on our own resources.

I have done some studies of the impact of the Btu tax on Alaska and I would like to share them with the Senate.

Estimates of the cost of the Btu tax to the average household in Alaska range from \$844 to \$1,521 annually. For the rest of the Nation, the average Btu tax burden for households will be an estimated \$266 to \$471. In other words, Alaskans are at least three times more burdened by this tax than any other State.

In Alaska, the per capita cost of the Btu tax has been calculated by our people at \$280 per person—man, woman, and child—per year. That, as I said, is more than the average for households in the south 48. Nationally, the Btu tax will run somewhere around \$97 per person.

The difficulty with the Btu tax for me is that the people who will be hardest hit in our State by the Btu tax are those who can least afford it. Our Alaskan Native people who live in rural areas, some 210 to 230 villages, use diesel to generate electricity. Diesel fuel is not home heating fuel. Home heating fuel is exempt in the bill that was passed by the House, as I understand it. There is no similar exemption for diesel fuel used to heat homes and generate electricity in Alaska.

I am told that there is an exemption in the House bill for No. 2 diesel and for home heating fuel. We use No. 1 diesel. We do not know all of the final details of what came out of the House bill yesterday. I know that there are exemptions over there and deals were made. But, they do not represent relief for those who are the hardest hit in the Nation—the Native people who live in rural Alaska.

Not only will they pay the full Btu tax but, because of the extremely low temperatures that they suffer in the winter time—60 below zero—they pay more than any other American to heat their homes to begin with.

The devastating effect of this Btu tax on Alaskan Native people is really apparent when we realize that the average annual income for a family of four in western Alaska is about \$10,000. They use approximately 1,000 gallons of diesel fuel for heating and approximately 850 gallons for cooking. They currently pay an average of \$3,599 a year just for diesel fuel. In other words, they already spend 35 percent of their income for fuel. If the administration's Btu tax is imposed, some Native Alaskan could be forced to spend 44 to 51 percent of their annual income on fuel. This does not take into account the increase in transportation costs, goods and fuel due to the Btu tax.

I believe that the people who live in the colder parts of the country are going to be burdened the most by the Btu tax.

We hear all kinds of objections from people that live in other areas of the country, but just consider, Madam

President: My State has half the coastline in the United States.

I am sorry I did not bring the map. If you put a map of the United States in front of the Senate and impose my State on it, Alaska runs from Baltimore to San Francisco Harbor and from Duluth almost to New Orleans.

This is a State as broad and as wide as the whole United States. Distances are severe in my State. And, there is not one single exemption for Alaska in this Btu tax proposal.

Everything that we deal with in Alaska is increased due to the cost of transportation. The Btu tax will unfairly discriminate against Alaskans, particularly in the oil industry.

Just consider this: Once we pump 1.8 million barrels a day from Prudhoe Bay, it has to be transported 800 miles by pipeline to the sea, and from there it will be transported another 1,000 to 2,500 miles to get to refineries, again by sea. When it is refined, the No. 1 diesel comes back to Alaska, to Alaska's villages.

We pay the Btu tax for pumping the oil, transporting the oil across our State, transporting it down to the refineries, and transporting it all the way back up to Alaska.

This long distance to the refineries is one of the transportation expenses the State of Alaska must pay to produce our domestic oil. The Btu tax is going to reduce the States revenue base. Our State devised what we call the dividend program, where we take 25 percent of the revenues that the State gets from oil and gas and we annually spread out the interest income amongst all of the people who reside in our State.

So out of the \$10,000 annual income I mentioned for a family of four in western Alaska, \$4,000 of the income comes directly from the dividend program. These people just do not have the money to pay a Btu tax on oil.

Just think, Madam President, if we were to go into the North Slope and develop ANWR, the bulk of the people who would be employed there are the people who live in rural Alaska.

During the time of the construction of the Alaska pipeline and the drilling out of Prudhoe Bay, there was substantial job opportunities for those people. Today, they have 85 percent unemployment in their villages, but they are asked to pay more in taxes because some people in the south 48 say a Btu tax will reduce our dependency on foreign oil.

Every item that they get in those rural villages—food, clothing, manufactured goods, even their snow machines—comes from the south 48, as we call them.

I see no reason for us to give up some of the existing jobs we already have. Almost 1,400 jobs in our State will be lost because of the cost of the Btu tax. Our people are not going to be able to run the small businesses and pay these increased costs—they cannot afford it. They are barely breaking even now.

The reconciliation bill that has just passed the House has, as I understand it, a provision to exclude diesel fuel used on farms from the Btu tax. No similar provision exists for the fishing industry. Our fishermen are the farmers of the sea. More than half of the fish consumed in the United States comes from the waters off my State.

Yet, both in terms of the cost of getting their supplies, the cost of getting their fuel, and the cost of operating all of their vessels—every single cost is increased by the Btu tax. Yet, farmers are exempted. Why? They have a substantial number of votes in the House. And that bill passed by just six votes. If you look at it, three votes the other way and it would have tied; it would not have passed.

What about the Alaska Natives; what about the Alaskan people? Why should they be forced to accept these exemptions, which will only increase the tax burden placed on them, so that the bill could get a vote here or a vote there, in the farm country of the south 48?

Again, Madam President, I say to you I think the Btu tax is the most oppressive tax I have ever heard discussed in the U.S. Senate. I am going to join the Senator from Texas to defeat it. It needs to be defeated.

We realize we have ample opportunity in this country to develop our own production. We could restore the production of the south 48. We have lost over 4 million barrels a day production from stripper wells in the south 48 because of the changes in the tax laws, and we have certainly lost a great opportunity to develop the largest remaining basin on the North American Continent in terms of drilling on the Arctic plain.

I am hopeful the Senate will join the Senator from Texas and me and many others and defeat the Btu tax.

The ACTING PRESIDENT pro tempore. The Senator from Maine.

#### CAMPAIGN PROMISES

Mr. COHEN. Madam President, there is a familiar song, "What a Difference a Day Makes." Some might extend that to "What a Difference a Year Makes." I might entitle it, "What a Difference a Campaign Makes."

We are often held to reconcile what is promised during the course of a campaign with what actually is performed following that campaign. We are reminded, from time to time, of the difference between politics and political promises and the responsibilities of governance.

I have not decided as to whether I am going to offer an amendment during the course of this morning's legislative schedule or not. But it seems to me I should at least take a few moments to discuss the entire issue of most-favored-nation status that is being extended today to China.

For the past several years, legislation has been introduced in this body to predicate any granting of most-fa-

vored-nation status to China upon certain conditions: A legislative requirement that they adhere to certain human rights standards, certain trade standards, and also certain standards dealing with arms proliferation.

I can recall being on this floor in this Chamber on several occasions—the number escapes me at the moment—one, in fact, in which a colleague of the Presiding Officer, from California, was standing at the rear of the Chamber urging us to support legislation that would predicate any extension of most-favored-nation status to China upon adhering to those three categories, or standards within those three categories.

It was a tough vote. It was a tough vote for Republicans to support President Bush, who said we should not try to legislatively shove these particular standards down the throats of the Chinese, at least not in this fashion. And that while we support many of the goals expressed in the legislation, the better course of action would be to deal with the Chinese leadership on a private and less public basis to gain concessions from them in areas in which we felt they were acting adversely to the interests of the United States, indeed to the world community, particularly in the field of human rights.

I think the President campaigned on that issue. President Clinton campaigned on a very strong anti-most-favored-nation status being granted to China unless those conditions were adhered to.

So I was somewhat surprised to learn that last evening, the President announced he would be granting most-favored-nation status to China, subject to certain conditions being imposed, that would be adhered to hopefully in the coming year. This is by way of executive action and not legislation.

It seems to me this is much weaker than that position being espoused—I should say articulated—by leading Democrats in both Houses, that they would mandate legislatively that China would have to adhere to all these conditions in all three categories. I point out Tibet, it was argued—and Congress had voted—was a separate, independent nation that China was illegally occupying. I do not gather from the statements that appear in today's Washington Post that Tibet is actually part of China.

I mention this today because, while I supported President Bush in his determination to force the Chinese leadership to come around to recognize human rights concerns, and other trade issues and arms proliferation issues, it was very difficult. It was a tough vote. And I am somewhat surprised to find the leading advocates for this position now suddenly have reversed course and it is now an executive decision with complete discretion being granted to President Clinton in determining whether, in his judgment, China will live up to the human rights standards being imposed.

I actually support the President's position to grant most-favored-nation status to China, but I must point out it is rather inconsistent. It is rather inconsistent for those who were most passionate in denouncing the Chinese Government, most passionate in insisting most-favored-nation status be conditioned legislatively upon those areas that I mentioned before, to suddenly be silent—or expressing agreement this should be done by executive decision, with complete discretion being given to President Clinton.

President Clinton has learned how to deal with China, apparently; that is, rather than trying to beat them publicly over the head with various conditions, to negotiate quietly or diplomatically to achieve these ends. To that end, I support these efforts. Once again, it is the difference between a campaign and an actual responsibility, a requirement, to govern.

I have not decided at this moment whether I will introduce legislation that will impose a legislative solution as opposed to an executive one to deal with China, but I just wanted to take a moment to point out the rather clear and patent inconsistency on the part of those who advocated most passionately it must be a legislative solution.

I yield the floor.

The ACTING PRESIDENT pro tempore. The minority leader.

#### MFN STATUS FOR CHINA

Mr. DOLE. Madam President, following along with what the distinguished Senator from Maine has articulated, I, too, support the President's decision to extend most-favored-nation status to China for another year. In announcing the renewal, President Clinton has used many of the arguments President Bush used in previous years, arguments that President Clinton criticized during his election campaign. I assumed there would be a tirade here against President Clinton's extension, as there was against President Bush's efforts—or should be. Every year we went through this process. Every year we barely prevailed. I do regret the President decided to put thousands of American jobs at risk for the first time by putting conditions on the renewal of MFN status in 1994.

We have had this debate every year. We have had farmers and manufacturers told to hold their breaths to see whether or not we are going to cutoff business with China. Now they have one more year of uncertainty. I would strongly suggest to the President and to other Senators from both parties that this annual debate was not in the best interests of democracy in China, or economic health here at home.

It seems to me, since we have 1.1 billion people, we had better be inside the tent if we hope to have any influence on human rights policies in the People's Republic of China. We had better be players, instead of standing on the outside looking in. The administra-

tion's approach is particularly puzzling since they have been talking about multilateralism, working with our allies in Bosnia, working with them on Iran, and not going it alone.

We are certainly going it alone when it comes to MFN status for China. I do not see our friends in Europe and Japan announcing conditions on their trade policies with China. I do not see any multilateral approach here. What I see is this administration telling American farmers and American workers and American consumers that they have been drafted into a one-country effort to promote democratic progress in China.

This also is hard to reconcile with statements made by administrative officials in briefings the past 2 weeks that China has indeed taken a number of important steps in human rights, in trade, and in mutual national security interests, which the United States has asked it to do. I hope that is the case.

China is going to be a huge force in Asia; it is now, and is going to continue to be. We need good relationships with China, and I ask the Chinese leadership to work with our administration to extend bilateral cooperation and reduce the differences between us. And toward those goals, I promise to strongly support President Clinton and the administration.

Mr. COHEN. Will the Senator yield?

Mr. DOLE. I will be happy to yield.

Mr. COHEN. I point out that had we opposed those conditions legislatively that converged upon the Congress in the past several years, then China would be in violation of those, because, according to the news reports, China is breaking the missile pledge; China, in fact, has been selling technology to Pakistan in violation of its pledge. If we had opposed those legislatively, China would be in violation and MFN would be revoked.

I notice by this declaration, that has been separated out. We are not even going to tie that to granting most-favored-nation, no consideration of proliferation of arms, no consideration of the trade issue; only the human rights violations, and those are, as the Senator pointed out, subject solely, not to Presidential certification, but solely to Presidential discretion. I think it is a wide departure from where we were a year ago.

Mr. DOLE. Mr. President, I thank the Senator from Maine.

The hour of 10 o'clock having arrived, I would like to use some of my leader time, if I might.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator has that right.

#### BIG, BIG, BIG TAX PACKAGE

Mr. DOLE. Mr. President, by a very narrow margin last night, the House did it to the American people. They passed this massive tax bill, and I even see some of the networks have it all mixed up. They are calling it \$250 billion in spending cuts and \$250 billion in

tax increases. That is not true at all. There is not \$500 billion in deficit reduction. You get all the taxes between now and in this first year. There are \$47 billion in discretionary spending cuts, but not \$1 before 1996. There are \$45.8 billion in mandatory spending cuts, but only \$6.2 billion before 1996. So all the talk on the morning shows and the President talking about all those spending cuts, it is \$6.2 billion before 1996, but the taxes started last January. The taxes are big, \$275 billion to some \$280 billion.

Based on the House reconciliation package, it is hard to believe—I know a lot of people are not going to believe it. I hope Peter Jennings is watching because he had it all wrong on ABC the other night. We are going to cut the mammoth total of \$6.2 billion between now and 1996.

It is up to the American people, it is up to the Senate, it is up to the people of Texas on June 5 to send a message to this Senate and all across America that we do not want more taxes unless we get some spending cuts. I must say, I was shocked; I knew it was awful, but I defy anybody to say that they cut more than \$6.2 billion between now and the year 1996. Oh, they said, if they do not do more, they are going to consider doing something, and that brought in all these people who call themselves conservatives on the Democratic side.

I want to commend the 38 House Democrats who did stand up against this big, big, big, big tax package. I cannot believe there were not more. I think this shoots a hole in this freshman class where they had 62 new Members and they were going to change the world and change the Congress. Fifty-one out of the 62 voted for this big, big, big tax package. It is disheartening. I know the American people, when they get the details, will be shocked to find out the tax increases started in January and they only get \$6.2 billion in spending cuts before 1996.

So let me just say what happened. They voted for about \$6.35 in tax and fee increases for every dollar in spending cuts in the next 5 years. If that is what the Democrats are going to try to sell on this side of the Capitol, I think it is going to be very difficult. More than \$33 billion of so-called cuts in this bill would not be considered cuts anywhere but in Washington, DC, where the Government budget process allows Congress to extend current law and we count these cuts. Only about 5 percent of the deficit reduction in this bill, 18.5 percent, comes from real cuts in current programs. I guess they backed off the honeybee program, the one program President Clinton said he was going to cut.

So, Mr. President, it is not a day to celebrate. I know a lot of people were applauding last night. The taxpayers were not applauding. I did not see any taxpayers on the House side applauding, but all the Democrats who just love taxes were applauding. They were saying: "We did it again; we stuck it to



them; the American people are going to pay and pay and pay and pay."

So I am looking for the State of Texas to lead us out of this very, very bad legislation. If the Republican candidate, Kay Bailey Hutchison, can win that seat a week from tomorrow, it will send a message heard around the United States and in every seat in this Chamber, and I think it may bring back some stability and some sense of direction.

I say to the President, Republicans are willing to give you bipartisan support if you will cut spending—cut spending—and many of my colleagues are willing to accept some revenues, but nobody can vote for a bill like this. And it is not \$500 billion in deficit reduction as the President was saying this morning. It is only \$336.8, and \$275 or more of that is taxes; plus fees, another \$15 billion. And the only spending cuts—as I said most of them do not even happen until after 1996, which happens to be the next Presidential election.

So I regret that the House passed this bill. I want to commend Speaker FOLEY and majority leader GEPHARDT and the President for getting it done. When you have a package this bad and you have to pass it, that is a real accomplishment. Hopefully, on the Senate side we will all wake up here and we will all go home, we will talk to real people, the voters. This is not a question of saving the Presidency, it is a question of saving the country and saving the economy. Hopefully, when we all come back, having listened to the voters, Democrats, Republicans, Independents, we will say no to this package and we will start over and we will have spending cuts and maybe some revenues.

Mr. President, I reserve the remainder of my leader time.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AVIATION REVITALIZATION ACT OF 1993

Mrs. MURRAY. Mr. President, I would like to thank Senator WENDELL FORD, chairman of the Senate Aviation Subcommittee for introducing the Aviation Revitalization Act, which is so important to the State of Washington and which I am proud to join as an original cosponsor. The jobs of American aerospace workers are critical to the people and the economy of the State of Washington; the health of the Boeing Co., as our Nation's largest exporter, is of great concern to us all. The Ford bill provides a major part of the solution to the problems facing the American aerospace industry, manufacturers, and carriers. It has bipartisan support and deserves the support of all Senators.

I look at this legislation and at my work as a member of the National Commission to Ensure a Strong Competitive Airline Industry, through the prism of jobs for the people of Washington.

In fact, my primary reason for supporting this bill is to support the jobs of tens of thousands of Washingtonians who work for the Boeing Co. and the hundreds of companies that supply and service it. I cannot forget that roughly 340,000 American aerospace manufacturing jobs have disappeared in the last 5 years; further layoffs have been predicted.

In January, Boeing announced plans to cut production of commercial aircraft by one-third, a decision which may affect as many as 20,000 of the 80,000 Washington State workers employed in commercial aircraft manufacturing.

In the airline service sector, it is too late to save Pan Am, Eastern Airlines, and some of the other airline pioneers. The roster of pilots, mechanics, flight attendants, and other airline employees who lost their livelihood with the demise of these airline giants is a tragic American tale. But there is still time to write a new chapter for our domestic airline industry. Fortunately, this is one of President Clinton's and Senator FORD's top priorities.

As usual, the problem is money. During the last few years, domestic airlines have lost a staggering \$8.8 billion. U.S. airlines will require nearly \$50 billion in new aircraft to meet both projected growth in air traffic and Government-mandated deadlines for converting to quieter, more fuel-efficient aircraft. Because of the heavy debt burden acquired by most of the domestic airline industry there is serious doubt about raising the needed capital through traditional methods.

The Ford bill provides a solution; it creates a mechanism to provide our domestic airlines with the capital they desperately need for financing a new generation of aircraft. By assisting our airlines and retiring the noisy stage II aircraft which are due to be phased out at the end of this decade by the Airport Noise and Capacity Act of 1990, the bill will also phase out less-fuel-efficient and aging aircraft. This is good for the airlines and for our Washington State workers and the manufacturing sector.

Over the long term, the best way to revitalize the domestic commercial aircraft manufacturing industry is to restore the health of the American airline industry. Airlines are a vital component of our Nation's transportation sector. The Ford bill creates a loan program which would help the airlines replace their fleets more quickly and in turn put Americans, and specifically Washingtonians, back to work.

Senator FORD began work on this bipartisan and productive plan in January. It has gone through several drafts and revisions, and received the input of airlines, manufacturers and labor. My work with Senator FORD focused on

jobs for American workers. Specifically, we worked together on a provision to guarantee that at least 75 percent of any new aircraft or new aircraft components financed through this program be manufactured or produced in the United States.

Without such a provision, I fear that the airlines would use U.S. taxpayer dollars to buy Airbus, aircraft produced by a consortium of government-subsidized European manufacturers. That may have helped airlines but it certainly would not have helped Boeing workers, or suppliers here in the United States.

U.S. Trade Representative Micky Kantor told me this week that his office will work with us to assure that our buy America provision is consistent with international trade agreements.

No other industry in the long run is as critical to the economic health and military security of the United States as American Aerospace. We have seen what has happened in other sectors of the economy such as autos and electronics when we let down our guard.

We make the finest and most advanced aircraft in the world. Despite their economic problems, U.S. airline companies provide the most comprehensive and least expensive air service in the world.

My goal in supporting the Ford bill is to keep these industries healthy and viable. I cannot stand by and watch hundreds of thousands of valuable jobs in these critical industries drift abroad.

The Ford bill marks the beginning of a new and dynamic aviation policy for our country. On behalf of the workers of Washington and their families, I wish to publicly thank Senator FORD his vision and concern about this vital American industry.

Thank you, Mr. President.

#### JIM GILLILAND, GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE

Mr. MATHEWS. Mr. President, I am pleased today to applaud the confirmation of the appointment of Jim Gilliland to the post of general counsel to the U.S. Department of Agriculture.

When I first learned of this nomination to this position, I was pleased, but certainly not surprised. Jim Gilliland is an outstanding selection. He is one of those people who always masters his task and moves on to excel again. He has achieved excellence in all his pursuits, from being valedictorian in high school, Phi Beta Kappa in college, to law review at Vanderbilt Law College. He was selected by his law school peers as most outstanding member of his class, then later by his fellow lawyers as most outstanding lawyer at the Memphis bar.

Following a prominent tour of duty in the U.S. Navy, Jim then built a distinguished career at the firm of Glankler, Brown, Gilliland, Chase, Rob-